

The City of West Fargo Renaissance Zone Guidelines for Project Approval

The City of West Fargo wants to encourage significant investment within the Renaissance Zone to improve deteriorating properties by upgrading them to meet current needs and to curtail the vacation of buildings and continued weakening of the tax base. Property owners of buildings that are dilapidated would be provided incentives to allow for removal of structures and rebuilding of usable buildings. Owners of properties that are occupied by nonconforming uses would receive incentives to make structural changes to provide for a change in use that will conform to the City's plans and ordinance.

In order to qualify for consideration as a Renaissance Zone or Lease project, a proposal must meet the following criteria. In the West Fargo Renaissance Zone transfers of property ownership or making improvements do not automatically qualify properties as approved zone projects. The intent of these criteria is to encourage and reward significant levels of investment in zone properties. However, each project is based on its own merits. The City of West Fargo may consider relaxing a local requirement or enhancing a local benefit if it is deemed that the project benefit outweighs the existing criteria.

Applications must be submitted to the City and State and approved prior to purchase, lease, or improvements being made.

Residential Property

Current Residential Property

- Property may not have been part of a previous zone project.
- Property must be zoned as residential.
- Property must be of a conforming use.
- Property owner must make all necessary improvements to eliminate any and all deteriorated conditions that are visible on the exterior of the building.
- Property owner must make capital improvements equal to the greatest of the following:
 - 20% of the true and full value of the property prior to improvements
 - or \$10,000
- Proposed capital improvements must substantially improve the life expectancy of the property. Capital improvements include, but are not limited to replacement or updating of roof, foundation, structure, siding, windows, doors, and plumbing, heating, and cooling systems. Capital improvements do not include new floor covering, window treatments, wall coverings, or furnishings. Cabinetry may be included if basis for improving life expectancy can be determined.
- Additions or garages may only be included if it is determined that all other necessary improvements have been made to the existing principal structure.

New Residential Construction

- Property must be of conforming use.
- Property must be consistent with visions and goals of the City of West Fargo

Commercial Property

Current Commercial Property

- Property may not have benefited from a previous approved zone project.
- Property must be zoned as commercial.
- Property must be of a conforming use.
- Property owner must make all necessary improvements to eliminate any and all deteriorated conditions that are visible on the exterior of the building.
- Properties in the Renaissance Zone must give consideration to landscaping and streetscaping where possible.
- **Land is not exempt from property taxes. The existing building valuation is not taken off the tax roles. Property owner must make capital improvements based on the following table:**

% of Improvements (based on Current True & Full)	% Exemption (based on increased value)
100% + of True and Full Building Value	100% exemption for 5 years
75-99% of True and Full Building Value	75% exemption for 5 years
50-74% of True and Full Building Value	50% exemption for 5 years
Below 50%	0% exemption

- Warehousing would not receive exemptions unless the owner proves need or provides other substantiation information to justify granting the exemption.
- Proposed capital improvements must substantially improve the life expectancy of the property. Capital improvements include but are not limited to replacement or updating of roof, foundation, structure, siding, windows, doors, and plumbing, heating and cooling systems. Capital improvements do not include new floor covering, window treatments, wall coverings, cabinets or furnishings. **All applications will have to delineate between capital expenditures and non-capital items.**
- **Verification of construction costs will be required at project closeout time.**

New Commercial Construction or Additions

- Property must be of conforming use.
- Property must be consistent with visions and goals of the City of West Fargo.
- Warehousing would not receive exemptions unless the owner proves need or provides other substantiation information to justify granting the exemption.

Commercial Leases

- Tenant must have lease approved by the City and State prior to executing the lease for current or new commercial property.
- Building has been determined by Zone Authority to have been restored or rehabilitated and meets all required criteria and now the tenant is pursuing incentives which will result in building occupancy.

Commercial Vacant Properties

- All properties vacant for more than 1 year may be considered for Renaissance Zone approval but property tax exemption will vary depending on amount of improvements. Property tax exemption will be based on the following table:

% of Improvements (based on Current True & Full)	% Exemption on total property value
100% + of True and Full Building Value	100% exemption for 5 years
75-99% of True and Full Building Value	75% exemption for 5 years
50-74% of True and Full Building Value	50% exemption for 5 years
25-49% of True & Full Building Value	25% exemption for 5 years
Below 25%	0% exemption

- Proposed capital improvements must substantially improve the life expectancy of the property. Capital improvements include but are not limited to replacement or updating of roof, foundation, structure, siding, windows, doors, and plumbing, heating and cooling systems. Capital improvements do not include new floor covering, window treatments, wall coverings, cabinets or furnishings. **All applications will have to delineate between capital expenditures and non-capital items.**
- Warehousing would not receive exemptions unless the owner proves need or provides other substantiation information to justify granting the exemption.
- **Verification of construction costs will be required at project closeout time.**

Relocation of Commercial Businesses

- Commercial tenants that are relocating from one area within the zone to another area must demonstrate that there is a real need for the relocation and show the benefits derived to obtain City approval.
- Commercial tenants that are relocating from another ND community to West Fargo are not eligible for tax incentives without special approval from the zone authority.

Percentage of Exemption

- Property that is targeted for demolition in the Renaissance Zone plan shall be eligible for 100% exemption from property taxes if the existing property is demolished and replaced by a new structure. **Note: Property taxes on land are not exempt.**
- Property owners are eligible for Income Tax Exemptions from the State for zone projects.
- Tenants leasing space in approved projects are eligible for income tax exemptions from the state.

